

Minutes
Cooperative Agreement Advisory Group
December 3, 1999

Present: Matt Redmann (Navistar); Brian Borofka (Wepco); Marilou Martin (EPA); Randy Nedrelo (Northern Engraving); Liz Wessel (Sierra Club); Mike Ricciardi (MGE); Mike Gromacki (Cook Composites and Polymers); Walt Carey (Nestle); Pat Stevens (WMC); Lynda Wiese (DNR)

Also Present: Jon Heinrich, facilitator (DNR); Mary Hobbs, note-taker (DNR); Lynn Persson (DNR); Ed Wiletz (WI Paper Council); Annette Weissbach (DNR); Jerry Rodenberg (DNR); John Brocke (Nestle); Scott Lee (DNR); John Shenot (DNR); Kim McCutcheon (DNR)

The group, or specific members agreed to do the following tasks:

ALL:

By December 10, 1999:

- **Provide additional program goals and/or performance measures to Brian Borofka (brian.borofka@wepco.com) and Liz Wessel (lwessel@itis.com) ;**

By January 28, 2000:

- **Provide comments back on Brian and Liz's compilation of proposed performance measures;**

Brian Borofka and Liz Wessel:

By January 7, 2000:

- **Based on previous discussions and contributions from the group, Brian and Liz will provide group members with a set of proposed performance measures for measuring program goals as laid out in the Statute 299.80**

By February 9, 2000:

- **Based on group revisions to the performance measures above, Brian and Liz will distribute an initial proposal of performance measures for the Cooperative Agreement Program one-week prior to the next Advisory Group meeting. This document will serve as a basis for establishing these goals and how to measure them at the next meeting.**

Next Meeting:

Wednesday, February 16, 2000

9:00 am to Noon

Location to be determined (Nestle plant in Stoughton?)

I. Review of Minutes from 10/15/99 Meeting:

Liz Wessel proposed that the group consider a direct exchange of comments among themselves rather than having WDNR act as the "filter".

Mike Gromacki stated that he preferred using WDNR as the central point of contact for group communications.

It was decided that internal discussion and comments among group members would be encouraged and facilitated by providing e-mail addresses to all members.

II. Review of the agenda:

Lynda Wiese presented the primary topics on the meeting agenda:

- 1) A discussion of Program Goals;
- 2) Refinement of Performance Measures for the Cooperative Agreement Program;
- 3) An introduction of the stakeholder review process.

III. Discussion of Program Goals for the Cooperative Agreement Program:

A compilation of the Program Goals as submitted by Advisory Group members in e-mail discussion and at meetings was distributed. It was explained that "stars" (9's) were placed next to those proposed Program Goals which were not explicitly stated in the Cooperative Agreement legislation.

Lynda proposed that the discussion should begin by focusing on whether or not (and if so, how) these additional goals might be added to the statutory goals.

The group began by reviewing the "star-ed" items from the Program Goals list.

Walt Carey addressed the goal of economic benefits for participating businesses. He explained that he sees this as an objective which may not be attainable within the life of the project, but that it should be a long-term objective of the Cooperative Agreement Program to increase participating businesses' competitiveness.

He emphasized that the Cooperative Agreement Program must provide meaningful regulatory flexibility to participating companies, or otherwise it will have no value for businesses such as Nestle Corporation.

Lynda asked the Group to consider whether a measure should be established for determining economic benefits to participating companies as part of the Program Goals.

There was a discussion as to whether this topic was covered under those items that address cost-effectiveness in the Cooperative Agreement statute.

Lynda summarized the conversation by saying, "What I'm hearing is that economic benefits may not be a big picture item on measuring success of the Program. But, economic drivers for individual companies should be measured--is that something we can use the UNC protocols to accomplish?"

Mike Gromacki pointed out that in order to "sell" this Program to other businesses, it would help to be able to demonstrate that the pilot companies are experiencing overall economic benefits (as a result of their participation). Examples might include contract opportunities that were realized because of a facilitated production process.

Liz Wessel said that she did not see a problem with measuring economic benefits (from the Program), but that it should be up to the businesses themselves to show how they measured or achieved such benefits.

At this point Jon Heinrich, (the facilitator) provided an overview of the discussion and its intent. He explained that according to the Environmental Cooperation Pilot Program statute, Lynda has fourteen (14) goals to measure. What the group is attempting to do with the present discussion is to go through the additional goals that were proposed by group members to determine if/how some of these might be incorporated into overall Program Goals.

He explained that the purpose of the discussion was to get a sense of what additional Program Goals should be considered, but that the group was not in a position to make a decision about which goals to include and not include at the time.

A discussion followed regarding how the consideration of additional Program Goals came to be included in the meeting agenda. The discussion originated primarily as a response to Kohler-Generator's concern that pilot facility and WDNR goals for the Program might differ.

Brian Borofka made the point that the goals of the Cooperative Agreement Program have been set out explicitly in the legislation, therefore the Group should move beyond discussing additional goals if they have already been determined in the legislation.

Jon Heinrich addressed Brian's point to Lynda, and to the Group as a whole: does the Advisory Group have the authority to add to the Program Goals if they have already been laid out in the statute?

Lynda explained that the present discussion arose in response to what she heard at the October 15 Advisory Group meeting, namely: 1) that there was some confusion over

what the statutory goals for the Program are; and 2) there was concern that other important goals were not captured in the statute.

Before we can establish Performance Measures, we need to come to agreement on what the Program Goals are, she explained. Therefore, additions or *enhancements* to the Program Goals are okay, as long as they don't conflict with the goals as laid out in the statute.

Liz Wessel made the point that the present discussion would provide an opportunity to discuss and mutually recognize Program Goals that might be important to consider measuring.

Pat Stevens of WMC asked whether a list had been compiled of things that could be offered to participating companies in the way of regulatory flexibility. Without that information, it would be difficult to sell the Program to businesses, he said.

Lynda explained that WDNR had initially put together a list of possible flexibility requests that might be considered. However, the agency did not want to close the door on flexibility, and that it was also important for the WDNR to see what would be offered by companies in exchange for receiving this flexibility. The intent is not to specify levels of flexibility up-front, but rather to negotiate such questions in the context of signing a cooperative agreement.

Mike Gromacki brought the discussion back to Program Goals by saying that he would prefer that the Group focus on those goals laid out in the statute.

Jon Heinrich explained that at the October meeting there had been a great deal of discussion about conflicting goals for the Cooperative Agreement Program. As a result of that discussion, it was agreed that Advisory Group members would work on drafting additional Program Goals in the interim. Therefore, he explained, it seems valid to provide an opportunity at this meeting for those people to present their additional goals.

(Walt Carey emphasized the importance of ensuring that real regulatory flexibility is offered to participating companies. This led to a discussion in which Marilou Martin of EPA Region V emphasized that regulatory flexibility is definitely being offered by Wisconsin's Cooperative Agreement Program. However, she said, it is important for the regulatory agencies to know the specifics about what kind of flexibility companies are asking for. The agencies cannot provide *carte blanche* flexibility, nor would the companies want that since it might leave them open to third-party lawsuits.)

The discussion returned to a review of proposed Program Goals submitted by Advisory Group members.

Liz Wessel discussed the Sierra Club goals as follows:

- Environmental Justice: she said this should be an important goal of the Program, and that environmentalists would hope the cooperative agreements are looking for solutions that tend to minimize EJ problems rather than creating new ones.
- Public Access to Information: this is certainly not outside the goals of the Program, and it continues to be important, she said.
- Right of Citizen Action: It is very important to preserve this ability, and she sees nothing in the statute that would threaten these rights.

In summary, Ms. Wessel explained that many of the Sierra Club goals are incorporated in the statutes, and that others (such as environmental justice) are not explicitly covered, but that it is important to consider them in developing performance measures.

Brian Borofka explained that he sees the Program Goals he submitted as being in line with the fourteen goals laid out in the Environmental Cooperation Pilot Program statute.

IV. Discussion of Performance Measures:

Lynda reminded the Advisory Group members that one of their primary tasks is to develop Performance Measures for the Cooperative Agreement Program as a whole.

She then laid out a proposed time-frame for deciding on Performance Measures:

Late-March/early-April, 2000: begin gathering data on Performance Measures to be compiled in the November 2000 Report to the Legislature;

November 2001: Will mark the 4-year anniversary of the Cooperative Agreement Program. At that time, some performance indicators should have been measured in order to be able to make recommendations to the Legislature on future policy directions for regulatory innovation.

Therefore, regarding Performance Measures, Lynda explained that the Advisory Group should decide on the following:

- 1) WHAT to measure?;
- 2) WHO will measure?;
- 3) HOW will they be measured?

She explained that while WDNR will compile the performance measures, they will not be generating most of the data that will be used--the pilot companies will.

Jon Heinrich clarified that the Group needs to be aware of the link between Program Goals and Performance Measures. He asked if there were any points of clarification regarding the concept of Performance Measures.

Liz Wessel asked if there were specific project measures that would be used for the overall Program Performance Measures. Lynda answered that there would be.

Brian Borofka asked about the role of the Advisory Group vis-à-vis determining criteria for Program "success" or "failure" based on the Performance Measures. Also, who would be reviewing the quality of the data that will be used? Will the Advisory Group have responsibility for reaching agreement on what's considered a positive outcome for the Program?

Jon suggested the discussion be organized by reviewing the compiled list of Performance Measures already submitted. He proposed that in the best interest of time, the Group should focus on specific types of measures so that WDNR staff can begin collecting the data.

Brian Borofka proposed that a working group be formed from the Advisory Group to take a look at the Performance Measures and Program Goals that have already been proposed and to put them together into a more manageable document which would link the goals with specific categories of measurement.

Brian Borofka and Liz Wessel volunteered to work on compiling such a list.

It was proposed that in the intervening weeks other Advisory Group members should communicate additions or revisions to the Performance Measures to Brian and Liz. It was decided that these revisions should be submitted prior to December 10, 1999.

V. The Stakeholder Involvement and Review Process:

Lynda explained that she wants the Advisory Group to begin thinking about stakeholder involvement, and that she will keep them informed about similar initiatives that are going on in other parts of the country.

Lynda distributed the following materials on stakeholder involvement and evaluation:

- An EPA Project XL document which provides a summary of approaches that were used;
- A stakeholder survey developed by the Minnesota Center for Environmental Advocacy that was used to evaluate some Project XL initiatives;
- Stakeholder Guidelines for companies as developed by Oregon's DEQ

Pat Stevens asked for clarification that the WDNR will be measuring stakeholder involvement in the Cooperative Agreement pilots.

Lynda responded that WDNR plans to measure stakeholder confidence in the Program as a whole, but that companies can assess their own individual stakeholder processes.

VI. Cooperative Agreement Program Updates:

Lynda gave a quick overview of progress being made on the various Cooperative Agreement pilots, including the following highlights:

- 1) The withdrawal of Kohler-Generator from the Program due to a difference in perception over Program Goals;
- 2) The addition of Tenneco/Packaging Corporation of America (Tomahawk) to the Program;

VII. Meeting Wrap-up and Future Activities:

Jon reviewed the timeline of future activities as follows:

- By COB Friday, December 10, members will provide additions and revisions to Performance Measures to Brian and Liz;
- Brian and Liz will have a first-draft document proposing Program Goals and matching Performance Measures to the group by January 7th, 2000;
- Comments on the above draft should be submitted to Brian and Liz by January 28, 2000;
- By February 9, 2000 Brian and Liz will have a final compilation of the Program Goals and Performance Measures available for distribution to the Advisory Group;
- Next meeting: Wednesday, February 16, 2000 at a location to be determined.

The following topics were proposed by group members for discussion at the February meeting:

- A presentation on the Green Tier initiative by Secretary Meyer;
- A status report on progress being made on various Cooperative Agreements.

The meeting was adjourned at 11:45 am.